

CORPORATE GOVERNANCE ANNUAL DISCLOSURE STATEMENT

**Filed with the
INDIANA INSURANCE COMMISSIONER**

By
(Insert Company Name)
(Insert Company Address)

(Insert Date)

Name, title, address, and telephone number of individual to whom notices and correspondence concerning this Statement should be addressed:

(Insert Name)
(Insert Title)
(Insert Company Name)
(Insert Address)
(Insert Telephone Number)
(Insert Fax Number)
(Insert Email Address)

A. Introduction

This confidential Corporate Governance Annual Disclosure Statement (the “Statement”) is filed by (*Insert Company Name*) to set out information with respect to the Company’s corporate governance framework, policies, practices and related matters, as required by IC 27-1-4.1. Pursuant to IC 27-1-4.1-10(c)(1), this Statement is prepared in a manner consistent with the NAIC’s Corporate Governance Annual Disclosure Model Regulation (“Model Reg”) and the parenthetical references below are to the Model Reg.

Pursuant to IC 27-1-4.1-7(a) disclosures in this Statement are made with respect to (*Insert Company Name*) at the (*Insert here the level that the Corporate Governance Annual Disclosure is at. Choose from the 3 options below*):

- 1) The ultimate controlling parent level, or
- 2) An intermediate holding company level, or
- 3) The individual legal entity level

Pursuant to IC 27-1-4.1-6(c)(1)&(2) the level of disclosure above was determined at (*Insert here which of the 3 criteria was used to determine the level of disclosure and explain any change in the level of disclosure that was subsequently used. Choose from the 3 options below*):

- 1) The level at which the insurer’s or insurance group’s risk tolerance is determined, or
- 2) The level at which the insurer’s or the insurance group’s earnings, capital, liquidity, operations, and reputation are: A) collectively overseen and B) Supervised, or
- 3) The level at which legal liability for failure of general corporate governance would be placed

Pursuant to IC 27-1-4.1-11, the documents, materials and other information related to this Statement, and including this Statement, are proprietary and contain trade secrets; are confidential and privileged; are not subject to subpoena; and are not subject to discovery or admissible in evidence in a private civil action.

B. Corporate Governance Framework (Model Reg 306 § 5B)

1. Company Oversight and Board Structure (Model Reg 306 § 5B(1))

What are the level(s) of at which oversight occurs (ultimate control level, intermediate holding company, legal entity, etc)?

Please Respond Here

What is the rationale for the current Board size and structure?

Please Respond Here

2. Duties of the Board and its Committees (Model Reg 306 § 5B(2))

What are the duties of the Board of Directors and each significant committee?

Please Respond Here

How is the Board governed (bylaws, charters, informal mandates, etc)?

Please Respond Here

How is the Board’s leadership structured?

Please Respond Here

What is the role of the Chief Executive Officer and Chairman of the Board within the organization?

Please Respond Here

C. Board Policies and Practices (Model Reg 306 § 5C)

1. Board Qualifications, Experience and Expertise (Model Reg 306 § 5C(1))

How do the qualifications, expertise, and experience of each Board member meet the needs of the insurer?

Please Respond Here

2. Board Independence (Model Reg 306 § 5C(2))

How is the appropriate amount of independence maintained on the Board and its significant committees?

Please Respond Here

3. Meetings and Director Attendance (Model Reg 306 § 5C(3))

How many Board meetings have been held in the last year and what is each Board members attendance record?

Please Respond Here

4. Nomination and Election Process for the Board and its Committees (Model Reg 306 § 5C(4))

How does the insurer identify, nominate and elect members to the Board and its committees?

Please Respond Here

Is a nominating committee used?

Please Respond Here

Are there term limits on directors?

Please Respond Here

How does the election and reelection process function?

Please Respond Here

Is a Board diversity policy used? If so, how does it function?

Please Respond Here

5. Evaluating Board Performance (Model Reg 306 § 5C(5))

How is the Board's and its committee's performance evaluated?

Please Respond Here

Have any recent measures been taken to improve performance?

Please Respond Here

D. Practices for Directing Senior Management (Model Reg 306 § 5D)

1. Determining Appropriate Background Experience and Integrity of Key Persons (Model Reg 306 § 5D(1))

What processes and practices are used to determine if officers and key persons in control functions have suitable background experience, and integrity?

Please Respond Here

Are any senior management positions filled using established suitability standards? If so, what titles and what are the standards?

Please Respond Here

Have these standards been changed in the last year?

Please Respond Here

If so, what procedures are in place to monitor and evaluate these changes?

Please Respond Here

2. Code of Business Conduct and Ethics (Model Reg 306 § 5D(2))

Does the insurer have a code of business conduct and ethics? If so, how does it relate to compliance with laws, rules, and regulations?

Please Respond Here

How does the code of conduct address proactive reporting of any illegal or unethical behavior?

Please Respond Here

3. Evaluation of Performance and Compensation Programs (Model Reg 306 § 5D(3))

What process and practices are used to evaluate performance, compensation, and corrective action to ensure effective senior management?

Please Respond Here

What are the general objectives of the compensation program?

Please Respond Here

What are the compensation programs designed to reward?

Please Respond Here

What is the Board's role in overseeing management compensation programs and practices?

Please Respond Here

What are the elements of compensation awarded in the compensation programs? How is each element determined and/or calculated?

Please Respond Here

How are compensation program related to both company and individual performance over time?

Please Respond Here

Does the compensation program include risk adjustment? If so, how are those adjustments incorporated at different levels?

Please Respond Here

Does the compensation program have any "clawback" provisions to recover awards or payments?

Please Respond Here

Does the compensation program include any other risk based incentives?

Please Respond Here

4. Succession Planning (Model Reg 306 § 5D(4))

What is the insurer's plan for CEO and Senior Management succession?

Please Respond Here

E. Critical Risk Areas Impacting Business Activities (Model Reg 306 § 5E)

1. Oversight Delegated Between the Board, its Committees and Management (Model Reg 306 § 5E(1))

How are oversight and management responsibilities delegated between the Board, its committees, and Senior Management?

Please Respond Here

2. Board Oversight of Strategic Plans, Associated Risks and Monitoring (Model Reg 306 § 5E(2))

How is the Board kept informed of the insurer's strategic plans, the associated risks, and steps Senior Management is taking to manage those risks?

Please Respond Here

3. Reporting for Critical Risk Areas (Model Reg 306 § 5E(3))

What are the insurer’s critical risk areas? This may include risk management processes (ORSA), actuarial function, investment decisions, reinsurance decisions, business strategy/finance decisions, compliance function, financial reporting/internal auditing, and market conduct decisions.

Please Respond Here

How are oversight and management responsibilities delegated between the Board, its committees, and Senior Management?

Please Respond Here

How is the Board kept informed of the insurer’s strategic plans, the associated risks, and steps Senior Management is taking to manage those risks?

Please Respond Here

How are reporting responsibilities organized for each critical area? What is the frequency of reporting and review?

Please Respond Here

The following list contains all the Exhibits attached to this Corporate Governance Annual Disclosure Statement:

Exhibit A *(Insert Title of Exhibit A)*

Exhibit B *(Insert Title of Exhibit B)*

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Signature and Certification

SIGNATURE

Pursuant to the requirements of IC 27-1-4.1 and Regulations promulgated by the Indiana Insurance Commissioner, *(Insert Company Name)* has caused this Statement to be duly signed on its behalf in the City of *(Insert City Name)* and State of *(Insert State Name)*, on the *(Insert Day)*th day of *(Insert Month)*, *(Insert Year)*.

(Insert Company Name)

By: _____
(Insert Name)
(Insert Title)

Attest:

CERTIFICATION

The undersigned deposes and says that (s)he has duly executed the attached Statement, dated *(Insert Date)*, for and on behalf of *(Insert Company Name)* and that she is authorized to execute and file such instrument. Deponent further says that (s)he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information and belief. Pursuant to IC 27-1-4.1-6(c), Deponent hereby certifies that *(Insert Company Name)* has implemented corporate governance procedures and that a copy of this Statement has been provided to the Governance Committee of the Board of Directors.

(Insert Undersigned Name)